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Eef 3/26/10

Attorney for Debtor

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA

oOo

IN RE

HOPE EVANGELINE WILLIAMS dba
CHERYL'S APARTMENTS, a sole
proprietorship

BK-N- 09-54139
CHAPTER 11

Hearing Date: _____

and Time: _____

Mtn No. _____

Est Time: 25 Minutes

DEBTOR'S DISCLOSURE STATEMENT

11 U.S.C. §1125

Debtor(s).

_____ /

I

INTRODUCTION

The Bankruptcy Code, Title 11 of the United States Code, under which the above-referenced matter was filed, requires that "debtors-in-possession" submit a written summary of their financial affairs and prospects for reorganization to all creditors and interested parties, prior to a vote on the debtor's proposed Plan of Reorganization. This particular document is not that plan, but rather a statement of what the debtor believes to be true about her financial condition.

1.1 Purpose of the Disclosure Statement

The purpose of this statement is to give creditors precise information upon which to base their votes on the debtor's plan. As such this Disclosure Statement requires Bankruptcy Court approval before the plan may be considered by the creditors and the Court. If you believe this statement does not contain enough information, or is in some other way not in compliance with §1125 of the Bankruptcy Code, then you are entitled to file written objections with the Court prior to the hearing on this statement.

1.2 Approval of Disclosure Statement

1 Approval of this Disclosure Statement in no way implies that the Bankruptcy Court has
 2 endorsed the Plan of Reorganization, nor is it a guarantee of the accuracy or completeness of the
 3 information contained herein. The debtor and counsel have attempted to make this statement as
 4 accurate and complete as possible. The information contained herein has not been the subject of
 5 an audit. No representations concerning the debtor and the prospects for the debtor's financial
 6 rehabilitation are authorized by the debtor except as set forth herein. The debtor is the sole and
 7 exclusive source of information upon which these representations are made. Upon the approval
 8 of this Disclosure Statement the debtor will solicit acceptances of the Plan.

9 **1.3 Approval of Plan**

10 In order for any plan of reorganization to be approved and thus become binding on all
 11 creditors, each class of creditors must accept the plan in a majority in number and by the 2/3 in
 12 amount. Those who do not vote will be deemed to have accepted the plan as proposed. Ballots
 13 and deadlines for voting will be provided upon the approval hereof.

14 **II**

DESCRIPTION OF THE DEBTOR

15 The Debtor is an individual person, as compared to an artificial entity. She is 70 years
 16 old. Ms. Williams is a nurse. She receives a salary from Westhill Hospital. She also receives
 17 Social Security and pension income. In addition, Ms. Williams operates a motel and collects
 18 rents. The motel consists of three properties. The properties are located at 429 Evans Avenue,
 19 447 Evans Avenue and 462 Evans Avenue, Reno, Nevada (herein "The Motel"). The Motel is
 20 subject to a first deed of trust in favor of Cheryl Cairns, and a second in favor of Michael
 21 Panagiotou.

22 **III**

PRE AND POST PETITION EVENTS

23 **3.1 Events leading to Bankruptcy**

24 On or about September 29, 1997 Cheryl Cairns sold The Motel to Mike Panagiotou. To
 25 facilitate this purchase, Mr. Panagiotou executed a note and deed of trust in favor of Ms. Cairns
 26 in the principal amount of \$750,000.00. This note bears interest at 8%, but in year eight the
 27 interest increases to 8.5%. The note calls for monthly payments of \$5,503.23. The payments
 28

1 commence on November 2, 1997 and all remaining sums fell due on October 2, 2009. The deed
2 of trust has a rents clause in it. .

3 On December 31, 2001 Ms. Williams purchased The Motel from Mr. Panagiotou. Ms.
4 Williams assumed the note and first deed in favor of Ms. Cairns. She also executed a second
5 deed of trust in favor of Mr. Panagiotou in the amount of \$300,000.00. This deed of trust also
6 has a rents clause in it. After the sale, Ms. Cairns continued to accept payments under the note.

7 Prior to the filing of the bankruptcy, Ms. Williams had made all payments with the
8 exception of the October of 2009 balloon. Ms. Cairns would not extend the note when it came
9 due in October of 2009. When Ms. Cairns filed a receivership action against Ms. Williams in
10 state court, this bankruptcy followed.

11 **3.2 Development since the filing of this Case.**

12 The case was filed on November 19, 2009. On November 24, 2009 the Bankruptcy
13 Court entered its order employing Mr. Lehnert and Mr. Zeltzer for the bankruptcy estate. On
14 November 25, 2009 Ms. Williams filed her motion for the use of cash collateral. The motion
15 was heard on December 9, 2009. On January 11, 2010 the Court entered an Interim Order
16 Granting Permission to Use Cash Collateral.

17 This Order allowed Ms. Williams to use the rents from The Property under the
18 following conditions: She was to make adequate protection payments in the amount of
19 \$5,503.23 to Cheryl Cairns on or before the 17th day of each month commencing in the month
20 of December, 2009, and continuing each month thereafter until further order of Court. She was
21 to employ a licensed building inspector to provide a written report of the condition of The
22 Property on or before February 1, 2010. She was to file a detailed budget for the proposed
23 further use of Ms. Cairns' cash collateral on or before February 1, 2010. She was to file timely
24 monthly operating reports.

25 The Court further ordered a final hearing on the use of cash collateral. The hearing was
26 set for February 18, 2009. On December 29, 2009 Ms. Williams filed a motion for the nunc pro
27 tunc approval of ordinary course expenses. This motion was heard at the same time as the final
28 hearing on the use of cash collateral.

1 On March 17, 2010 the Bankruptcy Court issued its order regarding cash collateral and
2 approval of ordinary course expenses. The order provided that all of the income from The Motel
3 is to be deposited into a separate debtor-in-possession account. The cash collateral is to be used
4 only for motel related expenses and to make the adequate protection payments previously
5 ordered. Any balance remaining in the account following the payment of such expenses shall
6 remain sequestered. Ms. Williams is allowed to use her personal income for motel related
7 expenses. She is to file timely monthly operating reports and maintain accurate books and
8 records. She is to file a plan and disclosure statement no later than March 26, 2010, and if she
9 defaults with respect to any of these conditions, Ms. Cairns may apply to the Court for an order
10 shortening the time to hear a motion for stay relief. Ms. Williams is to surrender one of her three
11 vehicles. The Bankruptcy Court is to hold a status hearing to determine if she may retain a
12 second vehicle and the Washington home. This status hearing is to take place at the time of the
13 hearing on this Disclosure Statement.

14 On January 26, 2010, Henderson Engineers completed a report for the condition of the
15 motel. A copy of this report was attached to the Declaration of Daniel S. Corder in Support of
16 Cheryl Cairns' Opposition to Debtor's Motion for Use of Cash Collateral which was filed with
17 this Court on February 10, 2010 as Docket No. 63.

18 **3.4 Sales of Real Property.**

19 There have been no sales of real property.

20 **3.5 Sales of Personal Property.**

21 There have been no sales of personal property.

22 **IV**

23 **ASSETS**

24 **4.1 Personal Property of the Debtor**

25 On December 17, 2009, Ms. Williams filed Schedule "B" which itemized all of her
26 personal property. The total value of this property was \$67,355.00. All but \$8,650.75 is
27 exempt. The values and exemption statutes have been placed into a spreadsheet. A copy of this
28 spreadsheet has been attached hereto as Exhibit "1".

4.2 Real Property of the Debtor

A. The Motel:

In November of 2007 the Motel appraised for \$1,630,000.00. Ms. Williams listed a value of 1.6 million dollars in her schedules. In her opposition to Ms. Williams' motion to use cash collateral, Ms. Cairns indicated she believes it is worth far less than this appraised value, but she assumed a net of \$949,629.49 if it is sold.

In the interest of full disclosure, the 2007 appraisal is outdated. In Northern Nevada, property values have significantly decreased since 2007. The true value of the motel is more likely to be near the figure proposed by Ms. Cairns.

In her opposition to Ms. Williams' motion to use cash collateral, Ms. Cairns said she will be owed \$710,000.00 by the final hearing. Mr. Panagiotou is owed \$240,000.00. If Ms. Cairn's number is accepted, there is no equity in this property and a sale will just pay both claims in full.

B. The Washington Home:

On March 12, 2010 Ms. Williams received a comparative market analysis report from Kenny Pleasant. Mr. Pleasant is a Real Estate Agent with Keller-Williams in Bellevue Washington. He found the home to be worth \$110,000.00. A copy of his comparative market analysis is attached hereto as Exhibit "2".

In the interest of full disclosure, Mr. Pleasant did not represent himself as a licensed real estate appraiser. Rather, he was performing a market analysis, which is in the scope of his duties as a Real Estate Salesman. His opinion should not be weighted the same as an appraisal from a licensed real estate appraiser.

Ms. Williams has scheduled U.S. Bank as having a first deed of trust on this property in the amount of \$127,230.00. There is no equity in this property.

C. The Truckee Residence:

On February 20, 2010 Ms. Williams received a letter from Chris Carrol, who is a Real Estate Agent with Century 21 in Truckee, California. He performed an analysis of Ms.

Williams' residence. He found the value to be between \$395,000.00 and \$445,000.00. A copy of his letter is attached hereto as Exhibit "3".

In the interest of full disclosure, Mr. Carrol did not represent himself as a licensed real estate appraiser. Rather, he was performing a property analysis, which is in the scope of his duties as a Real Estate Salesman. His opinion should not be weighted the same as an appraisal from a licensed real estate appraiser.

Ms. Williams has scheduled Citimortgage as having a first deed of trust on this property in the amount of \$123,561.00. She has scheduled Citibank HELOC as having a second deed of trust on this property in the amount of \$275,000.00. This would yield total debt of \$398,561.00, and a maximum equity of \$46,439.00. This equity is protected by California's homestead exemption codified at CCP 704.730.

V

5.1 Liquidation Analysis

In a hypothetical chapter seven, the Trustee would liquidate Ms. Williams' non-exempt property. The only real property with equity in it is Ms. Williams' residence, which has a maximum equity of \$46,439.00. This equity has been claimed exempt under California's homestead exemption, and it would not be liquidated by the Trustee. There is no equity in the motel or the Washington home.

Ms. Williams' personal property is worth \$67,355.00. All but \$8,650.75 is exempt. In a hypothetical chapter seven, the Chapter Seven Trustee would distribute \$8,650.75 to unsecured creditors in order of priority.

V

INCOME AND EXPENSE

5.1 Income Sources

A. Personal income and expenses:

Ms. Williams has four sources of personal income. She earns \$3,458.65 per month as a nurse with Westhill. She receives \$200.00 per month from her daughter, who lives in the

Washington home. She receives \$1,700.00 per month from Social Security, and she receives \$638.00 per month from a pension. Her total personal income is \$5,996.65.

Prior to the March 17, 2010 Order regarding cash collateral and ordinary course expenses, Ms. Williams had personal expenses of \$6,252.00. Those are itemized as follows:

Personal Expenses	Monthly Amount
Home Mortgage-----	\$1,452.00
Electricity & Heating Fuel-----	\$300.00
Telephone-----	\$100.00
Cable/Garbage-----	\$75.00
Home Maintenance-----	\$100.00
Food-----	\$300.00
Clothing-----	\$25.00
Laundry & Dry Cleaning-----	\$10.00
Medical & Dental-----	\$50.00
Transportation-----	\$150.00
Charitable contributions-----	\$50.00
Homeowner's insurance-----	\$220.00
Auto insurance-----	\$200.00
Property tax-----	\$200.00
Saturn payment-----	\$467.00
Prius payment-----	\$399.00
Dodge payment-----	\$372.00
2nd Mortgage residence-----	\$643.00
Washington mortgage-----	\$1,124.00
Personal grooming-----	\$15.00
Total Personal Expenses-----	\$6,252.00

After the Court issued its March 17, 2010 Order, Ms. Williams was required to surrender one of her vehicles. She selected the Prius, which is \$399.00 per month. Her monthly expenses now total \$5,853.00.

B. Business income and expenses:

On December 29, 2009 Ms. Williams filed a Declaration in support of her motion to approve ordinary expenses (Docket No. 50). Attached as Exhibit 1 to that declaration was an average of the motel's income and expenses from January of 2009 through November of 2009. The motel has continued operations since that time. Ms. Williams has supplemented this spreadsheet and attached a copy as Exhibit "4" to this Disclosure Statement.

The amended spreadsheet includes income and expenses for the months of December 2009 through February of 2010. The motel made a profit in December, but had losses for both January and February of 2010. This brought the average profit down from \$240.25 to \$111.26.

**VI
CLAIMS**

6.1 Unsecured Priority Claims (Class 1)

Class 1. Nathan Zeltzer and Michael Lehnerns.

Ms. Williams owes no taxes. Michael Lehnerns, Esq. and Nathan Zeltzer, Esq. were employed by the estate on November 24, 2009. Ms. Williams paid a pre-petition retainer of \$15,789.00. As of March 25, 2010 Mr. Lehnerns and Mr. Zeltzer have an administrative claim of \$17,580.00¹. This includes the \$1,039.00 filing fee. Assuming these fees are approved, and after payment from the trust account, there would be a remaining administrative balance of \$1,791.00 to be paid through the plan, plus whatever fees are incurred and approved up through plan confirmation.

6.2 Claims secured by the Motel (Class 2 and Class 3)

Class 2. Cheryl Cairns

Ms. Cairns holds a first deed of trust on the motel. She is owed approximately \$710,000.00.

Class 3. Mike Panagiotou

Mr. Panagiotou holds a second deed of trust on the motel. He is owed approximately \$240,000.00.

6.3 Claims Secured by Vehicles the Debtor Intends to Keep (Class 4 and Class 5)

Class 4 Chase Auto Finance

Chase Auto Finance holds a security interest in Ms. Williams' 2009 Saturn. It is owed approximately \$20,720.00.

Class 5. Chrysler Financial

Chrysler Financial holds a security interest in Ms. Williams' 2006 Dodge. It is owed approximately \$12,639.00.

6.4 Claims Secured by Vehicles the Debtor Intends to Surrender (Class 6)

¹ The claim is primarily owed to Mr. Lehnerns. Mr. Zeltzer's fees total \$2,000.00, and this amount has been advanced to him from Mr. Lehnerns' trust account

Class 6. Toyota Financial Services

Toyota Financial Services holds a security interest in Ms. Williams' 2008 Prius. It is owed approximately \$20,543.00

6.5 Claims Secured by the Debtor's Residence (Class 7 and Class 8)

Class 7. CitiMortgage

CitiMortgage holds a first deed of trust on Ms. Williams' residence. It is owed approximately \$123,561.00.

Class 8. CitiBank HELOC

CitiBank HELOC holds a second deed of trust on Ms. Williams' residence. It is owed approximately \$275,000.00.

6.6 Claims Secured by the Washington Home (Class 9)

Class 9. U.S. Bank Home Mortgage

U.S. Bank Home Mortgage holds a first deed of trust on Ms. Williams' Washington home. It is owed approximately \$127,230.00.

6.7 Executory Obligations (Class 10)

Class 10. Trinity Vendor Finance

Trinity Vendor Finance has leased the heating equipment for the motel. This lease shall be assumed.

6.8 Unsecured Non-priority Claims (Class 11)

Class 11. Unsecured Non-Priority creditors.

The Schedules filed in this case indicate that on the Petition Date Ms. Williams' unsecured non-priority claims were \$139,849.00. It is possible Toyota Financial Services may assert a deficiency after selling Ms. Williams' Prius. It is possible that Michael Panagiotou may assert a deficiency in the event the net sale proceeds fail to pay his claim in full. It is impossible to forecast if these deficiencies will in fact exist as the sale price of the Motel and the Prius cannot be known or estimated beforehand.

VII

MEANS TO IMPLEMENT THE PLAN

7.1 Funding

1 Ms. Williams will fund the plan by making payments of \$400.00 per month for five
2 years. In addition, she will list the motel for sale with Brian Egan of Egan Commercial Real
3 Estate. At the time this Disclosure Statement is being written, Mr. Egan has not issued a formal
4 opinion of what he expects the property to sell for, the length of time on the market or the
5 estimated closing costs, including commissions.

6 Ms. Williams will supplement this Disclosure Statement when said information is made
7 available.

7.2 Treatment of and Projected Distribution to Creditors.

8 A. Class 1

9 Class 1 claims are entitled to priority under 11 U.S.C. 507(a). They shall be paid in full
10 before any other unsecured claims set forth under this plan, in deferred cash payments. This
11 class is unimpaired.

12 B. Class 2

13 Class Two creditor Cheryl Cairns shall continue to receive monthly payments of
14 \$5,503.28 until a sale of the Motel whereupon she shall be paid in full. This creditor is
15 impaired.

16 C. Class 3

17 Class Three creditor Mike Panagiotou shall continue to receive monthly payments of
18 \$2,000.00 until a sale of the Motel whereupon his claim shall be paid in full up to the amount of
19 available proceeds. This creditor shall be given an unsecured claim for any deficiency. This
20 creditor is impaired. Based upon the value of the motel and its unique nature, it is anticipated
21 that this creditor will not be paid in full from a sale of the motel. This creditor is impaired.

22 D. Class 4

23 Class Four creditor Chase Auto Finance. This debt shall not be modified by the plan.
24 This creditor shall retain its lien, and Ms. Williams shall continue making regular monthly
25 payments throughout the life of the plan. This creditor is not impaired.

26 E. Class 5

1 Class Five creditor Chrysler Financial. This debt shall not be modified by the plan. This
2 creditor shall retain its lien, and Ms. Williams shall continue making regular monthly payments
3 throughout the life of the plan. This creditor is not impaired.

4 F. Class 6

5 Class Six creditor Toyota Financial Services. Ms. Williams shall surrender the 2008
6 Prius to this creditor. In the event that there is a deficiency following the sale of this vehicle,
7 then this Creditor shall be treated as a Class 11 unsecured creditor. This creditor is impaired.

8 G. Class 7

9 Class Seven Creditor CitiMortgage. This debt shall not be modified by the plan. This
10 creditor shall retain its lien, and Ms. Williams shall continue making regular monthly payments
11 throughout the life of the plan. This creditor is not impaired.

12 H. Class 8

13 Class Eight creditor CitiBank HELOC. This debt shall not be modified by the plan. This
14 creditor shall retain its lien, and Ms. Williams shall continue making regular monthly payments
15 throughout the life of the plan. This creditor is not impaired.

16 I. Class 9

17 Class Nine creditor U.S. Bank Home Mortgage. This debt shall not be modified by the
18 plan. This creditor shall retain its lien, and Ms. Williams shall continue making regular monthly
19 payments throughout the life of the plan. This creditor is not impaired.

20 J. Class 10

21 Class Ten creditor Trinity Vendor Finance. This executory obligation shall be assumed
22 upon confirmation of the plan. This creditor is not impaired.

23 K. Class 11

24 Class Eleven creditors are non-priority unsecured claims. These consist of the claims set
25 forth in Schedule "F" as well as any deficiency claims which may arise from treatment of
26 secured claims by the plan. After payment in full of Class One claims, these creditors shall be
27 paid pro-rata to the extent that funds are available from Ms. Williams' monthly plan payments
28

1 and any surplus equity which may be realized after the sale of the motel. It is anticipated that
2 these creditors shall receive no distribution through the plan. This class is impaired.

3 Dated: This 25 day of March, 2010

4
5 By: 

6 Michael Lehnert, Esq.

7 429 Marsh Ave.

8 Reno, Nevada 89509

9 Nevada Bar Number 003331
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Exhibit 1

Exhibit 1


Exempt Property

Description of Asset	Value	Secured Debt	Net Equity of Asset	Exemption Amount	Exemption Statute	Non-Exempt Value
Cash/Bank Accounts	\$1,155.00	\$0.00	\$1,155.00	\$866.25	CCP 706.050/070	\$288.75
Household Goods	\$5,000.00	\$0.00	\$5,000.00	\$5,000.00	CCP 706.020	\$0.00
Clothing	\$200.00	\$0.00	\$200.00	\$200.00	CCP 706.020	\$0.00
Federal Retirement	\$0.00	\$0.00	\$0.00	\$0.00	CCP 706.110(b)	\$0.00
Actual 2009 Tax Refund	\$1,112.00	\$0.00	\$1,112.00	\$0.00	N/A	\$1,112.00
2009 Saturn	\$20,000.00	\$20,720.00	(\$720.00)	\$0.00	N/A	\$0.00
2008 Prius	\$18,000.00	\$20,543.00	(\$2,543.00)	\$0.00	N/A	\$0.00
2006 Dodge Dakota	\$10,000.00	\$12,639.00	(\$2,639.00)	\$0.00	N/A	\$0.00
Office Equipment	\$1,000.00	\$0.00	\$1,000.00	\$1,000.00	CCP 704.060(a)	\$0.00
Motel Furnishings	\$10,000.00	\$0.00	\$10,000.00	\$2,750.00	CCP 704.060(a)	\$7,250.00
Totals	\$66,467.00		\$12,565.00	\$9,816.25		\$8,650.75

Exhibit 2

Exhibit 2

FW: CMA-Graham home

From:  **Hope Williams** (hopew88@hotmail.com)
Sent: Fri 3/12/10 4:58 PM
To: michael lehners (michaellehners@yahoo.com)
1 attachment
201002191...pdf (146.5 KB)

From: hopew88@hotmail.com
To: mikelehners@yahoo.com
Subject: FW: CMA-Graham home
Date: Fri, 19 Feb 2010 16:06:06 -0800

Please print this for the file.
Thanks!
Hope

Date: Fri, 19 Feb 2010 11:57:22 -0800
From: kennyplesant@yahoo.com
Subject: Fw: CMA-Graham home
To: hopew88@hotmail.com

Based on the comparables your home is worth
approximately \$110,000. This is just an estimate.

Thank you
Kenny Pleasant

CMA Report

Sorted by Custom Sort

Page 1

Listings as of 02/19/10 at 11:12am

Property Type Residential Statuses Active, Contingent, Pending BU Requested (8/23/2009 or after), Pending Feasibility (8/23/2009 or after), Pending Inspection (8/23/2009 or after), Pending (8/23/2009 or after), Sold (8/23/2009 or after) Radius Address 24718 52 Ave E, graham, wa Radius 2.00 Miles Style Code excluded 10-1 Story AND 11-1 1/2 Story AND 12-2 Story AND 13-Tri-Level AND 14-Split Entry AND 15-Multi Level AND 16-1 Story w/Bsmnt. AND 17-1 1/2 Stry w/Bsmnt AND 18-2 Stories w/Bsmnt AND 24-Houseboat AND 32-Townhouse

RESIDENTIAL**ACTIVE Properties**

Address	City	Map	Bd	Bth	SqFt	LotSz	Year	Date	\$/SqFt	CDOM	Orig Price	List Price
25005 43RD Ave E	Spanaway	914, D2	3	2	1,335	0.290ac	1998	10/23/09	74.83	113	115,900	99,900
3113 253rd St Ct E	Spanaway	914, C1	3	2	1,300	0.430ac	1985	07/16/09	92.31	218	145,000	120,000
4214 252nd St Ct E	Spanaway	914, C1	3	2	1,512	17183sf	1983	12/11/09	95.57	70	149,500	144,500
4616 228th St E	Spanaway	894, E6	2	1	630	1.960ac	1965	12/28/09	238.02	53	149,950	149,950
6005 257th St E	Graham	914, G2	3	2	1,440	0.190ac	1978	10/30/09	50.00	112	90,000	72,000
4720 239th St Ct E	Graham	894, E7	3	2	1,500	0.590ac	1988	02/05/10	56.67	14	85,000	85,000
4814 233rd St Ct E	Spanaway	894, E6	3	1	1,080	0.290ac	1985	01/21/10	82.41	29	88,999	88,999
3215 252nd St Ct E	Spanaway	894, C1	3	2	1,620	0.500ac	1992	11/20/09	64.20	84	130,000	104,000
25509 37th Ave Ct E	Spanaway	914, C2	3	2	1,512	0.170ac	1985	01/29/10	72.09	21	108,000	109,000
23208 48th Ave Ct E	Spanaway	894, E6	3	1	0	14459sf	1985	11/19/09	0.00	92	110,000	110,000
6313 241st St E	Graham	894, G7	4	2	1,778	1.000ac	1993	12/18/09	65.80	11	117,000	117,000
24901 50th Ave E	Graham	914, E1	1	1	852	25530sf	1965	07/22/09	146.71	212	125,000	125,000
5611 258th St Ct E	Graham	914, G4	3	2	1,188	0.240ac	1986	01/30/10	113.59	99	134,950	134,950
5804 251st St Ct E	Graham	914, F2	3	2	1,440	1.240ac	1980	09/08/09	117.29	164	189,900	168,900
3307 224th St	Spanaway	894, C5	3	2	1,344	1.140ac	1982	09/03/09	140.63	169	189,000	189,000
Listing Count 15			Averages		1,324				100.72	97	128,613	121,213
			High		189,000				Low	72,000	Median	
											117,000	

PENDING INSPECTION Properties

Address	City	Map	Bd	Bth	SqFt	LotSz	Year	Date	\$/SqFt	CDOM	Orig Price	List Price
4412 277th St Ct E	Spanaway	914, D5	3	2	1,296	1.250ac	1965	02/09/10	108.02	8	140,000	140,000
Listing Count 1			Averages		1,296				108.02	8	140,000	140,000
			High		140,000				Low	140,000	Median	
											140,000	

PENDING Properties

Address	City	Map	Bd	Bth	SqFt	LotSz	Year	Date	\$/SqFt	CDOM	Orig Price	List Price
22712 61st Ave E	Spanaway	894, F6	4	2	1,770	1.260ac	1991	02/12/10	67.80	28	120,000	120,000
Listing Count 1			Averages		1,770				67.80	28	120,000	120,000
			High		120,000				Low	120,000	Median	
											120,000	

SOLD Properties

Address	City	Map	Bd	Bth	SqFt	LotSz	Year	Date	\$/SqFt	CDOM	Orig Price	List Price	Sale Price	SP %	LP
4517 249th St E	Spanaway	914, D2	3	2	1,280	1.730ac	1992	09/08/09	142.06	7	169,500	169,500	179,000	105.60	
24609 32 Ave E	Spanaway	914, C1	2	2	2,016	1.250ac	1984	11/13/09	96.73	54	210,000	210,000	195,000	92.86	
3407 253rd St Ct E	Spanaway	914, C2	3	2	1,404	55321sf	1992	10/15/09	92.59	333	179,000	142,950	130,000	90.94	
22715 53rd Ave E	Spanaway	894, E5	3	2	1,284	0.440ac	1991	12/18/09	114.10	142	150,000	150,000	146,500	97.67	
Listing Count 4			Averages		1,491				111.37	134	177,125	168,113	162,625	96.74	
			High		195,000				Low	130,000	Median		162,750		
Report Count 21			Report Averages		1,378				101.57	97	137,986	130,983	162,625		

Presented By: Kenny Pleasant / Keller Williams Rity Bellevue Phone: 206-618-4566

Featured properties may not be listed by the office/agent presenting this brochure.

Information From Reliable Sources, But Not Guaranteed.

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(0040-0)

Realist

Page 1 of 2

Property Detail Report**Subject Property**

**24718 52nd Ave E
Graham, WA 98338-9518
Pierce County**

Owner Info:

Owner Name : Williams Hope E	Recording Date : 05/26/2000
Tax Billing Address : Po Box 2588	Annual Tax : \$1,748
Tax Billing City & State : Truckee Ca	County Use Code : Mh Title Elim
Tax Billing Zip : 96160	State Use : Residential
Tax Billing Zip+4 : 2588	Universal Land Use : Mobile Home

Location Info:

School District : 403	Flood Zone Code : C
Subdivision : Firwood Acres	Zoning : R10
Census Tract : 731.14	Old Map : 914-E1
Carrier Route : R003	Neighborhood Code : 0060801
Flood Zone Panel : 5301380590C	Map Page/Grid : 03-18-24-NE-SE
Panel Date : 08/19/1987	

Tax Info:

Tax ID : 500107-006-0	Improved Assessment : \$44,000
Parcel ID : 5001070050	Total Assessment : \$134,700
Tax Year : 2009	% Improv : 33%
Annual Tax : \$1,748	Legal Description : Section 24 Township 18 Range 03 Quarter 14 Firwood Acres: Firwood Acres Se Of Ne 24-18-03e L 5 Ease Of Rec Approx 21,781 Sq Ft Out Of 1-007 Seg G0250 Md 9/7/94md T/E 1993 Liber Liberator S#09128185xu 27x40 (P50000-64305) Va 9/99
Assessment Year : 2009	Lot Number : 6
Land Assessment : \$90,700	

Characteristics:

Water : Type Unknown	Sewer : Type Unknown
Lot Acres : .5	Cooling Type : Central
Lot Sq Ft : 21,781	Heat Type : Forced Air
Porch : Enclosed Porch	Building Sq Ft : 1,080
Above Gnd Sq Ft : 1080	Roof Material : Composition Shingle
Interior Wall : Panelled	Exterior : Hardboard
Floor Cover : Carpet	Stories : 1
Year Built : 1993	Condition : Average
Effective Year Built : 1993	Bedrooms : 3
Total Baths : 2	Equipment : Range Oven
Full Baths : 2	Bath Fixtures : 6
Quality : Poor	Zoning : R10

Last Market Sale:

Realist

Page 2 of 2

Recording Date : 05/26/2000
Settle Date : 05/18/2000
Sale Price : \$95,800

Deed Type : Warranty Deed
Owner Name : Williams Hope E
Seller : Cottrell Varnie E

Sales History:

Recording Date : 05/26/2000
Sale Price : \$95,800
Buyer Name : Shows Robert L
Seller Name : Cottrell Varnie E
Document No : 200005260567
Document Type : Warranty Deed
Hist Document No : 1030372

Mortgage History:

Mortgage Date : 10/28/2003	05/26/2000
Mortgage Amt : \$91,806	\$95,652
Mortgage Lender : Amtrust Mtg Corp	Eagle Hm Mtg Inc
Mortgage Type : Conventional	Fha

Courtesy of Kenny Pleasant
NWMLS

The data within this report is compiled by First American CoreLogic from public and private sources. If desired, the accuracy of the data contained herein can be independently verified by the recipient of this report with the applicable county or municipality.

Exhibit 3

Exhibit 3



Tahoe Resort Properties
"The Gold Standard"

10044 Donner Pass Road
Truckee, California 96161
530.587.0838
Fax 530.587.1994

February 20, 2010

Hope Williams
P.O.Box 2588
Truckee, CA 96160

RE: 10761 Ponderosa Drive Truckee, CA; APN #19-290-01

Dear Hope,

Thank you for contacting regarding your Ponderosa Palisades home. Enclosed please find a current market analysis and property profile for your property located at the address referenced above.

My evaluation uses the same variables a fee appraiser utilizes; a correlation between location, property conditions and characteristics, and economic trends.

The analysis is broken down into three segments: 1) Properties currently on the market, 2) Properties that have recently sold, and 3) Properties that are in escrow as well as those showing ACN=Active/Contingent- Short Sales pending bank approval, (which includes the listing price). Although these properties differ somewhat from yours, they do provide a basic comparison for a market analysis. Town of Truckee Building Department records show a residence of 2,232 square feet, with decking of 646 sq. ft. and detached garage of 528 sq. ft. Metro scan County records show building square footage of 2,542 square feet. For the purpose of this analysis I will use the larger Metro scan County info showing a 3 bedroom/3bath/2garage 2,542 square foot home.

Currently inventory is low and there are only 5 homes actively for sale and two ACN=active/contingent in Ponderosa Palisades and Sierra Meadows areas ranging in price from \$270,000 to \$529,000 with an average list price of \$368,285 and averaging \$242.80 per square foot. There are currently 0 homes in escrow. There have been 14 homes sold since the 4th quarter of 2009 to date with a sold price range of \$241,239 to \$529,000 with an average sold price of \$358,824., a dollar per sq. foot range of \$160.61 - \$305.56 per sq. ft. for a very small home and averaging \$227.84 per square foot. There have been many home sales through out Truckee the past 6 months located on parcels of 1+ acre that have sold for under \$200.00 per sq. ft.

Page 2 of 2
Hope Williams
P.O.Box 2588
Truckee, CA 96160

After very slow 1st and 2nd quarters of 2009 we experienced a pickup in sales in the 3rd and 4th quarters. The majority of the homes sold were short sales and bank owned REO's that were aggressively priced and continue to impact our market. We have seen an increase in buyer interest in most areas of Truckee, however we are still experiencing prices and values adjusting downward in all communities along with inventory increasing.

Your property is located in popular community offering great proximity to Old Town Truckee and fantastic year round recreation that would be desirable for both full time and vacation living. The site is spectacular, a .75 acre parcel with views, gorgeous rock outcroppings and a serene setting. It is difficult giving you an estimate without viewing the interior of home and garage however from the descriptions you have provided me, living space over garage, condition and steepness of driveway, improvements and repairs needed and based on the strength of the current market it is my opinion that the value of your home is in the range of \$ 395,000 - \$445,000.

I hope this information is useful to you. Please give me a call with any questions you may have or for any additional information. I look forward to assisting you with the marketing and sale of your property should you decide to list your property.

Sincerely,



Century 21 TRP
10044 Donner Pass Road
Truckee, California 96161
800-470-0045 office
530-587-4918 office
530-386-0845 cell
chris@tahoetruckee.com
www.tahoetruckee.com

Exhibit 4

Exhibit 4

Rent and Expenses 3/18/10

Rent's Month	Amount	Expenses Month									
		First	Second	Utilities	Water	Garbage	Phone/Internet	Cablevision	Insurance	Laundry	Pest Control
Jan-09	\$17,767.00	\$5,508.73	\$2,000.00	\$3,326.16	\$365.66	\$323.13	\$169.23	\$456.56	\$859.80	\$200.00	\$55.00
Feb-09	\$15,985.00	\$5,508.73	\$2,000.00	\$3,838.28	\$375.49	\$323.89	\$99.18	\$456.56	\$0.00	\$100.00	\$55.00
Mar-09	\$16,310.00	\$5,508.73	\$2,000.00	\$2,880.99	\$377.42	\$323.13	\$204.41	\$456.56	\$0.00	\$0.00	\$55.00
Apr-09	\$18,310.00	\$5,508.73	\$2,000.00	\$3,099.33	\$370.73	\$323.13	\$169.24	\$505.38	\$0.00	\$200.00	\$55.00
May-09	\$15,789.00	\$5,508.73	\$2,000.00	\$0.00	\$422.91	\$323.23	\$168.05	\$483.08	\$1,712.40	\$100.00	\$55.00
Jun-09	\$19,072.00	\$5,508.73	\$2,000.00	\$2,581.14	\$397.70	\$0.00	\$169.07	\$483.68	\$859.70	\$0.00	\$0.00
Jul-09	\$17,135.00	\$5,508.73	\$2,000.00	\$1,979.52	\$419.79	\$646.13	\$191.28	\$529.72	\$1,709.70	\$100.00	\$110.00
Aug-09	\$16,055.00	\$5,508.73	\$2,000.00	\$1,639.16	\$0.00	\$0.00	\$89.79	\$488.89	\$859.70	\$0.00	\$0.00
Sep-09	\$17,875.00	\$5,508.73	\$2,000.00	\$2,343.88	\$397.22	\$323.13	\$195.98	\$478.05	\$1,360.71	\$200.00	\$55.00
Oct-09	\$14,002.00	\$5,508.73	\$2,000.00	\$1,922.75	\$470.10	\$323.13	\$111.40	\$488.29	\$859.70	\$100.00	\$0.00
Nov-09	\$12,045.00	\$5,508.73	\$2,000.00	\$3,338.40	\$380.10	\$646.26	\$0.00	\$482.71	\$859.70	\$100.00	\$100.00
Dec-10	\$19,170.00	\$5,508.73	\$2,000.00	\$2,126.36	\$398.10	\$323.13	\$111.88	\$503.34	\$859.70	\$0.00	\$100.00
Jan-10	\$13,625.00	\$5,511.23	\$2,000.00	\$0.00	\$0.00	\$323.13	\$103.15	\$511.38	\$859.70	\$29.54	\$0.00
Feb-10	\$14,159.00	\$5,511.73	\$2,000.00	\$3,343.03	\$312.02	\$323.13	\$133.78	\$518.97	\$859.70	\$100.00	\$0.00
Totals	\$227,299.00	\$77,127.72	\$28,000.00	\$32,419.00	\$4,687.24	\$4,524.55	\$1,916.44	\$6,843.17	\$11,660.51	\$1,229.54	\$640.00
Averages	\$ 16,395.00	\$ 5,509.12	\$ 2,000.00	\$ 2,315.64	\$ 334.80	\$ 323.18	\$ 136.89	\$ 488.80	\$ 832.89	\$ 87.82	\$ 45.71
Miscellaneous Expenses include Business license, room tax fire extinguisher, engineering, drain, refunds, evictions, lock smith and plumbing											

Rent and Expenses 3/18/10

Trinity Lease	Sewer	Property Taxes	Office Supplies	Advertising	Maintenance	Misc.	Total Expense	Profit or Loss
\$414.59	\$0.00	\$1,699.67	\$242.89	\$68.20	\$1,000.00	\$289.00	\$16,978.62	\$788.38
\$414.57	\$0.00	\$0.00	\$0.00	\$68.20	\$1,109.00	\$360.00	\$14,708.90	\$1,276.10
\$456.03	\$0.00	\$1,767.67	\$0.00	\$68.20	\$1,000.00	\$118.60	\$15,216.74	\$1,093.26
\$414.57	\$1,288.60	\$0.00	\$0.00	\$68.20	\$1,000.00	\$586.40	\$15,589.31	\$2,720.69
\$414.57	\$0.00	\$0.00	\$0.00	\$25.00	\$1,000.00	\$106.64	\$12,319.61	\$3,469.39
\$456.03	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000.00	\$900.00	\$14,356.05	\$4,715.95
\$414.57	\$0.00	\$0.00	\$51.39	\$100.00	\$1,000.00	\$2,300.17	\$17,061.00	\$74.00
\$414.57	\$0.00	\$1,830.55	\$0.00	\$228.02	\$1,000.00	\$361.00	\$14,420.41	\$1,634.59
\$456.89	\$3,359.18	\$0.00	\$85.57	\$103.42	\$1,000.00	\$7,744.24	\$25,612.00	(\$7,737.00)
\$414.57	\$0.00	\$1,830.55	\$0.00	\$201.50	\$1,000.00	\$300.00	\$15,530.72	(\$1,528.72)
\$456.09	\$0.00	\$1,830.55	\$0.00	\$0.00	\$1,000.00	\$1,036.94	\$15,908.93	(\$3,883.93)
\$414.57	\$1,282.32	\$1,830.55	\$0.00	\$0.00	\$1,000.00	\$852.72	\$17,311.40	\$1,858.60
\$414.57	\$0.00	\$0.00	\$30.44	\$0.00	\$1,000.00	\$3,105.36	\$13,888.50	(\$263.50)
\$456.03	\$0.00	\$1,830.58	\$50.19	\$0.00	\$1,000.00	\$400.00	\$16,839.16	(\$2,680.16)
\$6,012.22	\$5,930.10	\$10,789.57	\$460.48	\$930.74	\$14,109.00	\$18,461.07	\$225,741.35	\$1,557.65
\$ 429.44	\$ 423.58	\$ 770.68	\$ 32.89	\$ 66.48	\$ 1,007.79	\$ 1,318.65	\$ 16,124.38	\$ 111.26